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TWENTY-EIGHTH ANNUAL REPORT
OF
REPUBLIC IRON & STEEL COMPANY
YOUNGSTOWN, OHIO

FOR THE FISCAL YEAR ENDED DECEMBER 31, 1927

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REPUBLIC IRON & STEEL COMPANY

EXECUTIVE OFFICES

17 BATTERY PLACE, NEW YORK

GENERAL OFFICES

REPUBLIC BUILDING, YOUNGSTOWN, OHIO

PRINCIPAL OFFICE IN THE STATE OF NEW JERSEY

1 EXCHANGE PLACE, JERSEY CITY

REGISTRAR OF TRANSFERS

CHASE NATIONAL BANK, NEW YORK

TRANSFER AGENT

THE NEW YORK TRUST COMPANY, NEW YORK

338.7
R29
1927

R E P U B L I C I R O N & S T E E L C O M P A N Y

DIRECTORS

Term Expires 1928

THOMAS J. BRAY

HARRY L. ROWND

HARRY W. CROFT

Term Expires 1929

JOHN A. TOPPING

WILLIAM T. GRAHAM

GEORGE M. HUMPHREY

CRISPIN OGLEBAY

Term Expires 1930

HOWARD M. HANNA

CYRUS S. EATON

JOHN S. BROOKES, JR.

EDWARD B. GREENE

OFFICERS

JOHN A. TOPPING	.	.	.	.	.	Chairman
THOMAS J. BRAY	.	.	.	.	.	President
HARRY L. ROWND	.	.	.	.	.	1st Vice President
J. WILBERT DEETRICK	.	.	.	.	.	2nd Vice President
HERMAN M. HURD	.	.	.	.	.	Treasurer
RICHARD JONES, JR.	.	.	.	.	.	Secretary
SIMPSON, THACHER & BARTLETT	.	.	.	.	.	General Counsel

EXECUTIVE COMMITTEE

JOHN A. TOPPING

CYRUS S. EATON

THOMAS J. BRAY

HOWARD M. HANNA

WILLIAM T. GRAHAM

HARRY L. ROWND

HARRY W. CROFT

To the Stockholders of the

REPUBLIC IRON & STEEL COMPANY

The Board of Directors submits herewith its Twenty-eighth Annual Report of operations for the fiscal year ended December 31, 1927, together with a financial statement and general report upon the condition of the property at the close of the year.

INCOME REPORT

The year 1927, on the whole, was one of disappointment, both with respect to demand and prices for iron and steel. As to demand, business was fair during the first quarter of the year with prices stable and employment at about 80% of capacity. Shortly thereafter, demand hesitated followed by a decline of increasing intensity, which resulted in averaging down production for the year, to about 63% of capacity, or a reduction in tonnage of about 10%, as compared with the year 1926.

Following the reduction in demand, prices for all iron and steel products substantially declined, and in consequence, gross operating profits were reduced, but not in proportion to the reduction in value of products, due to economies effected in various ways, both mechanical and otherwise.

The general result of operations for the year ended December 31, 1927, shows Net Profit applicable to dividends, after all charges, including interest, depreciation and depletion of \$3,018,282.28.

Expenditures during the year for new construction, were minor in character but important in the aggregate, totalling \$1,260,684.94, leaving a balance unexpended on account of appropriations of \$687,368.04.

In order to diversify your Company's products and balance-up its operations, an important addition to the facilities of the Company is now contemplated, through the combination with The Trumbull Steel Company, located at Warren, Ohio, manufacturers of tin plate, hot and cold-rolled strips. Further particulars with respect to this proposed combination were given in the circular letter which was sent to the stockholders of your Company under date of December 15, 1927. The proposed combination has been approved by all the Directors and more than two-thirds of each class of the stockholders.

The funded debt of your Company was reduced, through the purchase of bonds on Sinking Fund account, to the par amount of \$736,000.00. Working Capital as of December 31, 1927, amounts to \$20,374,954.60, of which amount, \$4,491,725.53 is represented by cash and Government securities.

After adding undivided profits for the year, Surplus Account as of December 31, 1927, amounts to \$34,904,445.01.

INCOME ACCOUNT AND STATEMENT OF SURPLUS

For the Year Ended December 31, 1927

Net earnings from operations after deducting Federal taxes and charges for maintenance and repairs to plants amounting to \$4,255,440.98	\$ 5,332,437.51	
Interest and income from investments.....	705,424.58	
		<hr/>
TOTAL PROFIT FOR THE YEAR.....	\$ 6,037,862.09	
Less:		
Provision for depreciation and renewal of plants and exhaustion of minerals	\$ 1,976,589.24	
Interest and discount on bonds.....	1,042,990.57	
		<hr/>
	3,019,579.81	
		<hr/>
NET PROFIT FOR THE YEAR.....	\$ 3,018,282.28	
Surplus at December 31, 1926.....	34,836,162.73	
		<hr/>
	\$37,854,445.01	
Deduct:		
Dividends—7% on preferred stock.....	\$ 1,750,000.00	
Dividends—4% on common stock.....	1,200,000.00	
		<hr/>
	2,950,000.00	
		<hr/>
NET SURPLUS CARRIED TO BALANCE SHEET.....	\$34,904,445.01	

BALANCE SHEET

December 31, 1927

A S S E T S

CAPITAL ASSETS:

Property Accounts:

Cost of properties at December 31, 1926.....	\$107,705,050.45	
Net additions for the year ended December 31, 1927.....	1,166,897.55	
	<hr/>	\$108,871,948.00

INVESTMENTS IN AND ADVANCES TO OTHER COMPANIES	3,282,433.24
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CASH DEPOSITED WITH TRUSTEES.....	9,242.30
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CURRENT ASSETS:

Inventories of manufactured products, materials and supplies on hand.....	\$13,521,191.84	
Ore at docks.....	1,888,896.85	
	<hr/>	\$ 15,410,088.69

Accounts and notes receivable after deducting re- serve for doubtful accounts:		
Customers	\$ 3,211,901.01	
Republic Supply Company.....	599,568.31	
	<hr/>	3,811,469.32

Investment in marketable securities (below market).....	168,644.60	
Investment in United States Bonds and Treasury Certificates.....	1,500,000.00	
Cash in banks.....	2,991,725.53	
	<hr/>	23,881,928.14

DEFERRED CHARGES:

Expenditures for explorations, stripping at mines, advanced royal- ties, bond discount and expense, chargeable to future opera- tions	1,743,332.75	
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\$137,788,884.43

NET CURRENT ASSETS.....	\$ 20,374,954.60
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BALANCE SHEET

December 31, 1927

LIABILITIES

CAPITAL STOCK:

Common—300,000 shares at \$100 each.....	\$ 30,000,000.00	
Preferred 7% Cumulative—250,000 shares at \$100 each.....	25,000,000.00	
		\$ 55,000,000.00

10-30 YEAR 5% SINKING FUND MORTGAGE GOLD BONDS:

(Total authorized issue \$25,000,000.00)		
Total issued.....	\$ 20,869,000.00	
Less: Bonds redeemed and cancelled.....	10,707,000.00	
		10,162,000.00

REFUNDING AND GENERAL MORTGAGE SINKING FUND 5½% GOLD BONDS:

(Total authorized issue \$15,000,000.00)		
Total issued.....	\$ 15,000,000.00	
Less:		
Bonds purchased for sinking fund.....	\$ 1,465,000.00	
Bonds held in Treasury.....	5,000,000.00	6,465,000.00
		8,535,000.00

FIRST MORTGAGE 6% SERIAL GOLD BONDS OUTSTANDING ON BESSEMER MINES NOS. 1 AND 2—DUE JULY 1, 1928...

100,000.00

CURRENT LIABILITIES:

Accounts payable.....	\$ 1,705,468.94	
Federal, State and other taxes.....	999,267.10	
Accrued bond interest.....	364,737.50	
Provision for dividends payable January 2, 1928.....	437,500.00	
		3,506,973.54

RESERVES:

For exhaustion of minerals and mining equipment.....	\$ 5,731,047.84	
For depreciation and renewal of plants.....	17,184,912.71	
For relining and rebuilding furnaces.....	1,121,128.98	
For fire and accident insurance.....	803,176.94	
For contingencies.....	740,199.41	
		25,580,465.88

SURPLUS:

Balance, December 31, 1927, per attached statement	34,904,445.01	
		<u>\$137,788,884.43</u>

CERTIFICATE OF INDEPENDENT AUDITORS

NEW YORK, February 1, 1928.

TO THE DIRECTORS OF THE

REPUBLIC IRON & STEEL COMPANY

We have examined the books and accounts of the Republic Iron & Steel Company for the year ending December 31, 1927, and find that the balance sheet at that date and the relative income account are correctly prepared therefrom.

The inventories of stocks on hand as certified by responsible officials have been carefully and accurately valued at not exceeding cost or market. Full provision has been made for bad and doubtful accounts and bills receivable, and for all ascertainable liabilities, and we have verified the cash and securities by actual inspection or by certificates from the depositaries.

During the year, only actual additions have been charged to property account and sufficient provision has been made for depreciation and exhaustion of minerals. The deferred charges represent expenditures reasonably and properly carried forward to the operations of subsequent years.

Subject to the finality of the determination of Federal taxes for the years 1918 to 1920, we certify that the balance sheet is, in our opinion, properly drawn up so as to show the financial position of the company on December 31, 1927, and that the relative income account is a fair and correct statement of the result of operations for the year ending at that date.

PRICE, WATERHOUSE & CO.

REPUBLIC IRON & STEEL COMPANY

WORKING CAPITAL

The following statement covers items affecting Working Capital from organization of the Company to December 31, 1927, and is followed by Comparative Statement of Net Working Assets, as shown by the books of the Company as at December 31, 1925, 1926 and 1927:

Working Capital, May 3, 1899.....	\$ 6,500,000.00
Collateral Notes Issued, October 1, 1904.....	7,000,000.00
Bond Issue, October 1, 1904.....	10,000,000.00
Preferred Capital Stock Sold.....	110,000.00
10-30 Year Bonds Issued.....	20,869,000.00
Mortgage Notes on Haselton Property.....	1,475,000.00
Additional Preferred Stock Sold.....	4,583,100.00
Additional Common Stock Sold.....	2,809,000.00
Refunding and General Mortgage Bonds Issued.....	10,000,000.00
5% Collateral Trust Serial Gold Notes, Dated January 2, 1925.....	4,000,000.00
Amounts Reserved out of Profits for Depreciation and Renewals, Insurance and Contingencies	27,101,886.26
Net Profit, May 31, 1899, to December 31, 1927.....	93,930,330.72

EXPENDED

Dividends on Preferred Stock.....	\$ 46,793,936.87	\$188,378,316.98
Dividends on Common Stock.....	9,353,472.00	
Collateral Notes Paid.....	7,000,000.00	
Bonds Retired.....	22,586,000.00	
Haselton Notes Paid.....	1,475,500.00	
5% Collateral Trust Serial Gold Notes Paid.....	4,000,000.00	
Bond Sinking Fund.....	9,242.30	
Investments, etc.	3,282,433.24	
Prepaid Mining Expense, etc.....	1,743,332.75	
New Construction	62,840,431.86	
Property and Plants.....	8,919,013.36	
		168,003,362.38

NET CURRENT ASSETS PER BALANCE SHEET.....

\$ 20,374,954.60

Consisting of:

Inventory	\$ 13,521,191.84
Ore at Docks.....	1,888,896.85
Accounts and Bills Receivable.....	3,811,469.32
U. S. Bonds and Treasury Certificates, etc.....	1,668,644.60
Cash	2,991,725.53

\$ 23,881,928.14

Less Current Liabilities.....

3,506,973.54

NET CURRENT ASSETS.....

\$ 20,374,954.60

COMPARATIVE STATEMENT OF NET WORKING ASSETS

Current Assets	Dec. 31, 1927	Dec. 31, 1926	Dec. 31, 1925
Inventory	\$13,521,191.84	\$13,017,882.87	\$12,901,749.85
Ore at Docks.....	1,888,896.85	1,245,271.92	1,325,111.84
Accounts and Bills Receivable.....	3,811,469.32	4,927,179.23	6,168,630.03
U. S. Bonds and Treasury Certificates.....	1,668,644.60	4,040,208.33	4,040,208.33
Cash	2,991,725.53	2,134,064.00	2,564,379.87
	\$23,881,928.14	\$25,364,606.35	\$27,000,079.92
Less Current Liabilities.....	3,506,973.54	4,746,618.26	5,153,324.60
NET CURRENT ASSETS.....	\$20,374,954.60	\$20,617,988.09	\$21,846,755.32

COMPARATIVE STATEMENT OF INCOME

	Year Ended Dec. 31, 1927	Year Ended Dec. 31, 1926	Year Ended Dec. 31, 1925
Net earnings from Operations, after deducting charges for Maintenance and Repairs of Plants, amounting to:			
December 31, 1927	\$ 5,332,437.51	\$ 7,983,603.59	\$ 6,252,400.61
December 31, 1926	\$4,255,440.98		
December 31, 1925	4,408,272.77		
December 31, 1925	4,370,845.71		
Interest and Dividends Received.....	705,424.58	459,077.23	417,301.62
	<hr/>	<hr/>	<hr/>
TOTAL PROFITS FOR THE YEAR.....	\$ 6,037,862.09	\$ 8,442,680.82	\$ 6,669,702.23
Less:			
Provision for Depreciation and Renewal of Plants and for Exhaustion of Minerals.....	\$ 1,976,589.24	\$ 2,194,045.24	\$ 1,577,821.19
Interest and Discount on Bonds and Notes.....	1,042,990.57	1,183,613.21	1,278,396.83
	<hr/>	<hr/>	<hr/>
	\$ 3,019,579.81	\$ 3,377,658.45	\$ 2,856,218.02
NET PROFITS APPLICABLE TO DIVIDENDS.	\$ 3,018,282.28	\$ 5,065,022.37	\$ 3,813,484.21
Add:			
Surplus December 31, 1926.....	34,836,162.73		
Surplus December 31, 1925.....		32,121,140.36	
Surplus December 31, 1924.....			31,498,904.33
	<hr/>	<hr/>	<hr/>
	\$37,854,445.01	\$37,186,162.73	\$35,312,388.54
Deduct:			
Dividends on Preferred Stock.....	1,750,000.00	1,750,000.00	1,750,000.00
Dividends on Common Stock.....	1,200,000.00	600,000.00	.....
	<hr/>	<hr/>	<hr/>
	\$ 2,950,000.00	\$ 2,350,000.00	\$ 1,750,000.00
	<hr/>	<hr/>	<hr/>
NET SURPLUS CARRIED TO BALANCE SHEET	\$34,904,445.01	\$34,836,162.73	\$33,562,388.54

REPUBLIC IRON & STEEL COMPANY

INVENTORIES

In accordance with the usual policy of the Company, Inventory was taken at cost, on all products mined, manufactured or purchased. For all classes of material, the Inventories are no higher than present market prices. The comparative total value of Inventories is shown by the following tables:

Classification	As at Dec. 31, 1927	As at Dec. 31, 1926	As at Dec. 31, 1925
Finished Product.....	\$ 4,417,528.68	\$ 4,058,585.04	\$ 4,166,207.06
Pig Iron.....	955,854.13	777,927.25	622,370.40
Billets, Blooms, Slabs.....	907,718.23	782,339.69	819,962.27
Ores	3,948,900.17	3,852,811.79	3,571,209.52
Scrap	779,109.17	682,039.86	857,346.19
Ferro-Manganese	259,323.97	287,380.68	184,467.69
Fuel	482,729.69	516,209.60	380,721.91
Rolls, Moulds and Stools.....	134,964.96	159,406.46	135,956.31
Stores	1,479,603.50	1,614,925.29	1,699,793.32
Commissary Supplies.....	67,034.53	71,695.89	70,739.64
Miscellaneous	88,424.81	214,561.32	392,975.54
TOTAL	\$13,521,191.84	\$13,017,882.87	\$12,901,749.85

COMPARATIVE STATEMENT OF EARNINGS AND DISPOSITION OF INCOME

	Year Ended Dec. 31, 1927	Year Ended Dec. 31, 1926	Year Ended Dec. 31, 1925
Gross Profits.....	\$ 6,037,862.09	\$ 8,442,680.82	\$ 6,669,702.23
Depreciation and Charges.....	3,019,579.81	3,377,658.45	2,856,218.02
Net Profits.....	3,018,282.28	5,065,022.37	3,813,484.21
Dividends	2,950,000.00	2,350,000.00	1,750,000.00
Amount Carried to Surplus.....	68,282.28	1,273,774.19	640,616.48
Balance Surplus Account.....	34,904,445.01	34,836,162.73	33,562,388.54

GROSS VOLUME OF BUSINESS

Year Ended	
December 31, 1927.....	\$44,550,040.07
December 31, 1926.....	53,890,444.58
December 31, 1925.....	53,907,959.39

COMPARATIVE STATEMENT OF ANNUAL CHARGES TO COST OF PRODUCTION AND DEDUCTIONS FROM PROFITS FOR REPAIRS AND MAINTENANCE, DEPRECIATION AND OTHER PROVISIONAL FUNDS

	Year Ended Dec. 31, 1927	Year Ended Dec. 31, 1926	Year Ended Dec. 31, 1925
Repairs and Maintenance.....	\$ 4,255,440.98	\$ 4,408,272.77	\$ 4,370,845.71
Charges for Depreciation and Renewals of Plants and for Exhaustion of Minerals.....	1,976,589.24	2,194,045.24	1,577,821.19
TOTAL	\$ 6,232,030.22	\$ 6,602,318.01	\$ 5,948,666.90

PROVISIONAL FUNDS

Year Ended	For Depreciation and Renewal of Plants	For Exhaustion of Minerals	For Relining of Furnaces	For Fire and Accident Insurance	For Contingencies
December 31, 1927.....	\$17,184,912.71	\$5,731,047.84	\$1,121,128.98	\$803,176.94	\$740,199.41
December 31, 1926.....	15,793,798.18	5,443,587.10	918,374.99	772,195.04	591,316.81
December 31, 1925.....	14,650,005.39	5,275,387.43	939,620.08	716,213.49	631,985.01

NEW CONSTRUCTION AND PROPERTY ADDITIONS

Additions to the Property Account during the year aggregated \$1,260,684.94. The total New Construction to Date, December 31, 1927, is:

Blast Furnaces.....	\$14,372,401.95
Steel Plants, Rolling Mills and Factories.....	28,510,332.46
Ore Mines, Coal Mines, Coke Ovens and Quarries.....	19,192,652.82
Miscellaneous	765,044.63
TOTAL	\$62,840,431.86

SUMMARIZED COMPARATIVE STATEMENT OF PROPERTY ACCOUNT

	Year Ended Dec. 31, 1927	Year Ended Dec. 31, 1926	Year Ended Dec. 31, 1925
New Construction.....	\$ 1,260,684.94	\$ 2,060,365.71	\$ 3,534,317.81
Property Additions.....	*5,799.44	*258,551.25	19,770.24
Property Sold.....	87,987.95	.....	398,583.65
Unexpended Balance of Provision for Depreciation and Renewals for Year.....	1,391,114.53	1,143,792.79	1,021,713.30
Net Balance of Property Account.....	85,955,987.45	86,467,665.17	86,951,304.96

*Deduct.

BLAST FURNACES

During the year 1927 no large appropriations were authorized for new construction at the Blast Furnaces of the Company, but all work mentioned in the last Annual Report has been completed or is approaching completion. At the Northern furnaces the principal item completed was a 200-ton daily capacity Greenawalt Sintering Plant. At the Company's Southern blast furnace plant at Thomas, Alabama, the replacement of old boilers with approximately 3,200 H.P. of new boilers is now practically completed. The same is true of the 300 K.W. Turbo-Generator to supply electric power to our Sayreton Coal Mines. All of the above items were mentioned in the 1926 Annual Report. The usual production statistics follow:

PIG IRON PRODUCTION

Year Ended	Gross Tons
December 31, 1927.....	846,253
December 31, 1926.....	914,655
December 31, 1925.....	973,124

BESSEMER AND OPEN HEARTH STEEL WORKS

No improvements of importance were made during the year at the Company's Bessemer and Open Hearth Steel Plants, located at Youngstown, Ohio, except that during the year we replaced another of the original 80-ton Open Hearth Furnaces with a 160-ton furnace. It is the intention to replace gradually the smaller open hearth furnaces at this plant, at convenient times, with larger ones as rebuilding becomes necessary.

The usual comparative statement of production follows:

PRODUCTION—BESSEMER AND OPEN HEARTH INGOTS

Year Ended	Gross Tons
December 31, 1927.....	820,680
December 31, 1926.....	949,018
December 31, 1925.....	1,006,179

ROLLING MILLS AND FACTORIES

No large improvements were authorized during the year, but a large number of expenditures of a minor character were made throughout the rolling mills and factories so that, in the aggregate, normal progress was made in providing labor-saving facilities as well as machinery for improving the character of our finished products. This statement more particularly refers to the Company's Tube Works and Bolt Works. There was also authorized at our Brown-Bonnell Department a new spike plant, having a capacity of 1,200 tons of railroad spikes per month. This plant will be in operation some time during the first half of the year, and will aid in the distribution of the product of the Company's bar mills. In general, all rolling mills and factories were well maintained through liberal expenditures for repairs and upkeep, and are in good condition for economical operation.

The usual statistics showing annual shipments follow:

ANNUAL SHIPMENTS

Classification	Year Ended Dec. 31, 1927 Tons	Year Ended Dec. 31, 1926 Tons	Year Ended Dec. 31, 1925 Tons
Finished Products.....	528,631	592,139	619,576
Semi-Finished Products.....	129,460	181,232	221,448
Pig Iron.....	258,577	242,555	266,015
Total	916,668	1,015,926	1,107,039

IRON ORE MINES

Production at your Company's iron ore mines, in general, was in keeping with the expected needs of its blast furnaces for ore. The figures given below include the total production of ore mines owned and operated by the Company, together with its proportion of the production of properties in which it owns an interest.

Year Ended	Ore Production Gross Tons
December 31, 1927.....	1,688,635
December 31, 1926.....	1,601,961
December 31, 1925.....	1,292,509

ORE RESERVES

No changes occurred during the year in the Company's ore holdings, except the usual reduction in reserves on account of ore mined during the year and the offsetting factor of additions due to drilling during the same period.

Year Ended	Tons		
	North	South	Total
December 31, 1927.....	34,737,632	75,478,029	110,215,661
December 31, 1926.....	35,776,314	75,894,154	111,670,468
December 31, 1925.....	36,725,417	76,523,575	113,248,992

COAL AND COKE

No large appropriations were authorized for new work at our coal and coke plants, but all new work mentioned in the 1926 Annual Report was completed and is operating. Substantial expenditures were made at various plants for the elimination of fire hazards and for other safety work. The production of coal was adjusted to meet the demands of the Company's blast furnaces and manufacturing plants, and the usual annual statistics follow:

		Coal Production Net Tons
Northern District.....		1,204,926
Southern District.....		608,148
		<hr/> 1,813,074
		Coke Production Net Tons
December 31, 1927.....		1,019,897
December 31, 1926.....		1,151,832
December 31, 1925.....		890,521

COAL RESERVES

	1927 Net Tons	1926 Net Tons	1925 Net Tons
COKING COAL:			
Northern District.....	44,306,200	45,565,950	47,161,360
Southern District.....	64,866,378	65,474,526	66,128,637
 Total	109,172,578	111,040,476	113,289,997
 STEAM COAL:			
Southern District.....	13,433,820	13,433,820	13,433,820
 Grand Total.....	122,606,398	124,474,296	126,723,817

SUMMARY OF PRODUCTION

		1927	1926	1925
Iron Ore.....	Gross Tons	1,688,635	1,601,961	1,292,509
Coal	Net “	1,813,074	2,354,860	2,201,829
Coke	Net “	1,019,897	1,151,832	890,521
Pig Iron.....	Gross “	846,253	914,655	973,124
Bessemer and Open Hearth Ingots.....	Gross “	820,680	949,018	1,006,179
Finished and Semi-Finished Products.....	Net “	755,398	864,195	932,427

MANUFACTURED PRODUCTS

The manufactured products of the Company consist of the following: Merchant Steel Bars, Light Structural and Agricultural Shapes, Sheared Plates, Standard Railroad and Hand Spikes, Bolts, Nuts, Turn-buckles, Tubular Products, Black and Galvanized Sheets, Bessemer and Open Hearth Billets and Sheet Bar, Foundry, Bessemer and Basic Pig Iron; also by-products from the manufacture of coke.

PROPERTIES, ROLLING MILLS AND FACTORIES

MANUFACTURING PLANTS

Plants	Location
Brown-Bonnell Works.....	Youngstown, Ohio
Youngstown Steel Works (Bessemer).....	" "
Haselton Steel Works (Open Hearth).....	" "
Haselton Steel Tube Works.....	" "
Haselton Rolling Mills.....	" "
Shafting Works.....	" "
Niles Works.....	Niles, Ohio
Indiana Bolt Works.....	Muncie, Indiana
Sylvan Works.....	Moline, Illinois

BLAST FURNACES

	Number of Stacks	Location
Haselton Furnaces	4	Youngstown, Ohio
Pioneer Furnaces	3	Birmingham, Alabama
Total	7	

REAL ESTATE

Improved and Unimproved

	Acres		Acres
North.....	527	South.....	2,035
Total.....		2,562	

NOTE—Surface lands necessary for the protection of mineral rights not included in above total.

TENANT HOUSES

North.....	767	South.....	1,337
Total.....		2,104	

ORE MINES

NORTHERN:

	Location
Cambria No. 1.....	Negaunee, Michigan
Cambria No. 2.....	" "
Lillie	" "
Minckler	Iron River "
Sherwood	" " "
Franklin	Virginia, Minnesota
Plumer	Iron Belt, Wisconsin
Kinney	Kinney, Minnesota

SOUTHERN:

Alfretta Group (4 slopes).....	Birmingham, Alabama
Raimund Group (3 slopes).....	" "
Houston	" "
Tannehill	" "
Spaulding	" "

COAL AND COKE PROPERTIES

NORTHERN:

	Location
Republic	Republic, Pennsylvania
Martin	Martin, "
Bowood	Smithfield, "
Bessemer	Russellton, "
By-Product Coke Works and Benzol Plant.....	Youngstown, Ohio

SOUTHERN:

Warner	Birmingham, Alabama
Sayreton	" "
Thompson	" "
Palos	" "
By-Product Coke Works and Benzol Plant.....	" "

LIMESTONE PROPERTIES

SOUTHERN:

	Location
Thomas	Birmingham, Alabama
Dale	" "

MISCELLANEOUS PROPERTIES OWNED ENTIRELY OR IN PART BY THE COMPANY

CAMBRIA STEAMSHIP COMPANY
 GENERAL WATER COMPANY
 LAKE ERIE LIMESTONE COMPANY
 MAHONING ORE & STEEL COMPANY
 POTTER ORE COMPANY
 REPUBLIC COLLIERIES COMPANY
 REPUBLIC SUPPLY COMPANY
 RUGBY IRON COMPANY
 TOWNSITE MINE
 UNION LIMESTONE COMPANY
 UNION ORE COMPANY
 VERMILLION MINING COMPANY
 SUSQUEHANNA ORE COMPANY

LABOR AND EMPLOYMENT

No changes were made in labor rates during the year and, in general, employment was in keeping with business conditions as outlined in other parts of this report. The usual comparative statistics showing average number of men employed and total earnings per annum will be of interest.

AVERAGE NUMBER OF MEN EMPLOYED

	Year Ended Dec. 31, 1927	Year Ended Dec. 31, 1926	Year Ended Dec. 31, 1925
NORTH:			
Ore Mines.....	133	156	169
Coal Mines and Ovens.....	1,180	1,525	1,405
Furnaces	647	817	759
Works	6,083	6,823	6,834
Total North.....	8,043	9,321	9,167
SOUTH:			
Ore Mines.....	705	692	670
Coal Mines and Ovens.....	847	834	800
Furnaces	498	602	580
Commissaries	32	32	32
Total South.....	2,082	2,160	2,082
Grand Total.....	10,125	11,481	11,249

TOTAL EXPENDED FOR LABOR

Year Ended	Amount	Average Per Man
December 31, 1927.....	\$17,487,442.25	\$1,727.00
December 31, 1926.....	20,008,682.83	1,743.00
December 31, 1925.....	19,586,386.40	1,741.00

UNFILLED ORDERS AND BUSINESS OUTLOOK

As a result of the heavy falling off in demand during the last six months of the year 1927, with purchases during this period limited strictly to requirements, accompanied by general liquidation of stocks on hand, the balance of unfilled orders on hand December 31, 1927, is below normal

Since the first of the year, demand for iron and steel has tended steadily upward, prices moving in sympathy with increasing volume, and as the general business situation is sound, there is every reason to believe that further improvement may be expected during the year 1928.

The balance of unfilled orders on hand, as of December 31, 1927, compared with previous years, is as follows:

FINISHED AND SEMI-FINISHED

Year Ended	Tons
December 31, 1927.....	140,809
December 31, 1926.....	157,250
December 31, 1925.....	223,973

PIG IRON

Year Ended	Tons
December 31, 1927.....	45,893
December 31, 1926.....	44,010
December 31, 1925.....	64,463

The Board of Directors takes pleasure in expressing its appreciation to the officers and employees of the Company, for the loyal and efficient service rendered by them during the past year.

By order of the Board of Directors.

Respectfully yours,

JOHN A. TOPPING,
Chairman.

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